AMENDED IN ASSEMBLY MAY 28, 2010 AMENDED IN ASSEMBLY APRIL 19, 2010

CALIFORNIA LEGISLATURE-2009-10 REGULAR SESSION

ASSEMBLY BILL

No. 2049

Introduced by Assembly Member Arambula

February 18, 2010

An act to amend Section 1745.10 add Article 5 (commencing with Section 1746) to Chapter 10.5 of Part 2 of Division 2 of the Water Code, relating to the State Water Resources Development System.

LEGISLATIVE COUNSEL'S DIGEST

AB 2049, as amended, Arambula. State Water Resources Development System: transfers of water. Transfers of water: agricultural use to municipal use.

Existing law authorizes the transfer or exchange of certain water or water rights upon approval by the State Water Resources Control Board of a petition to transfer the water or water rights.

Under existing law, the Department of Water Resources administers water supply contracts pursuant to which water suppliers (contractors) are supplied water from the State Water Resources Development System (State Water Project), in accordance with the California Water Resources Development Bond Act and other provisions of law.

This bill would prohibit the department, with respect to a contractual entitlement to water from the State Water Project, and the state board, with respect to any other transfer of water or water rights, from approving the transfer of surface water or water rights, or a portion of a contractual entitlement to water from the State Water Project, from agricultural use to municipal use for a period of 20 years or more,

AB 2049 — 2 —

unless the water user provides to the department or the state board, as applicable, a written evaluation of the economic, social, and environmental effects of the transfer upon the service area from which the water is to be transferred. The bill would prohibit a water user from replacing specified surface water that is transferred from agricultural use to municipal use with groundwater, unless the groundwater basin of the service area from which the water is to be transferred is monitored in accordance with specified requirements. The bill would require the department and the state board to charge specified fees to a water user that is subject to these provisions.

Existing law authorizes the transfer or exchange of certain water or water rights upon approval by the State Water Resources Control Board of a petition to transfer the water or water rights. Existing law authorizes a water supplier to contract with a state drought water bank or with another water supplier or user inside or outside the service area of the water supplier to transfer or store specified water as part of a transfer, if certain requirements are met. Under existing law, a water user that transfers surface water pursuant to that authority is prohibited from replacing that surface water with groundwater, unless the groundwater use is either (1) consistent with a specified groundwater management plan or (2) approved by the water supplier from whose service area the water is to be transferred and that water supplier, if a groundwater management plan has not been adopted, determines that the transfer will not create, or contribute to, conditions of long-term overdraft in the affected groundwater basin.

This bill would additionally prohibit a water user that transfers surface water pursuant to a contractual change in an entitlement to water from the State Water Project from replacing that surface water with groundwater, unless the groundwater use is consistent with either of the 2 requirements described above.

The bill would prohibit a water user that contracts for water from the State Water Project from transferring a portion of that water from agricultural use to municipal use, unless certain requirements are met. It would authorize the department to charge a specified fee to a water user that is subject to that provision.

The bill, with a specified exception, would prohibit a water user from using groundwater on land previously served by surface water, if the water user transfers surface water from agricultural use to municipal use for a period of 10 or more years.

-3-**AB 2049**

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 5 (commencing with Section 1746) is added to Chapter 10.5 of Part 2 of Division 2 of the Water Code, 3 to read:

4

1

2

Article 5. Transfers From Agricultural Use to Municipal Use

5 6 7

8

9 10

11

12

13

14

15 16

17

18

19 20

21

22

23

24 25

26

27

28

29

30

31

32

33

34

35

- 1746. (a) This article applies only to a transfer of surface water or water rights, including any portion of a contractual entitlement to water from the State Water Resources Development System, from agricultural use to municipal use for a period of 20 years or more.
- (b) (1) A transfer described in subdivision (a), except a transfer of any portion of a contractual entitlement to water from the State Water Resources Development System, is subject to petition and approval by the board pursuant to Article 2 (commencing with *Section* 1735).
- (2) A transfer described in subdivision (a) is subject to approval by the department, if the transfer involves any portion of a contractual entitlement to water from the State Water Resources Development System.
- 1746.5. (a) (1) The board or the department, whichever is applicable pursuant to subdivision (b) of Section 1746, shall not approve a transfer of surface water or water rights subject to this article from agricultural use to municipal use, unless the water user prepares, or contracts for the preparation of, and provides to the board or the department, as applicable, a written evaluation of the economic, social, and environmental effects of the transfer upon the service area from which the water is to be transferred.
- (2) The board or the department, as applicable, shall charge a water user that is subject to this section a reasonable fee to cover the agency's costs associated with the implementation of this subdivision, including costs incurred for reviewing the evaluation described in paragraph (1).
- (b) (1) A water user shall not replace transferred surface water that is subject to this article with groundwater, unless the

AB 2049 — 4 —

1 groundwater basin of the service area from which the water is to 2 be transferred is regularly, systematically, and logically monitored 3 in accordance with Part 2.11 (commencing with Section 10920) 4 of Division 6.

(2) The department shall charge a water user that is subject to this subdivision a reasonable fee to cover the department's costs associated with the implementation of this subdivision, including costs incurred by the department if the department is required to perform groundwater monitoring functions pursuant to Section 10933.5 for purposes of this subdivision.

SECTION 1. Section 1745.10 of the Water Code is amended to read:

1745.10. (a) A water user that transfers surface water pursuant to this article, or pursuant to a contractual change in an entitlement to water from the State Water Resources Development System, shall not replace that water with groundwater unless the groundwater use is either of the following:

- (1) Consistent with a groundwater management plan adopted pursuant to state law for the affected area.
- (2) Approved by the water supplier from whose service area the water is to be transferred and that water supplier, if a groundwater management plan has not been adopted, determines that the transfer will not create, or contribute to, conditions of long-term overdraft in the affected groundwater basin.
- (b) (1) A water user that contracts with the department for water from the State Water Resources Development System shall not transfer any portion of its contractual entitlement to water from agricultural use to municipal use, unless both of the following requirements are met:
- (A) The groundwater basin of the service area from which the water is to be transferred is regularly, systematically, and logically monitored in accordance with Part 2.11 (commencing with Section 10920) of Division 6.
- (B) The department receives a written evaluation of the economic, social, and environmental effects of the transfer upon the service area from which the water is to be transferred.
- (2) The department shall charge a water user that is subject to this subdivision a reasonable fee to cover the department's costs associated with the implementation of this subdivision, including costs incurred by the department if the department is required to

5 AB 2049

perform groundwater monitoring functions pursuant to Section 10933.5 for purposes of this subdivision.

2

3

4

5 6 (e) A water user that transfers surface water from agricultural use to municipal use for a period of 10 or more years shall not use groundwater on the land previously served by that surface water supply, unless that groundwater use is systematically and continuously monitored and reported to the department.